



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA  
Chief Executive Officer

September 14, 2012

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To: Supervisor Zev Yaroslavsky, Chairman  
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From: William T Fujioka  
Chief Executive Officer

## WASHINGTON, D.C. UPDATE

### Executive Summary

This memorandum contains a report on the following:

- **Continuing Resolution.** The House passed H.J. Res. 112, a Continuing Resolution (CR), which would temporarily fund Federal programs and operations and also extend the Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) for the first six months of Federal Fiscal Year (FFY) 2013 through March 2013. Its enactment would avoid a Federal government shutdown and the expiration of TANF and SNAP, which fund the CalWORKs and CalFresh programs in California, at the end of September. The Senate is expected to pass H.J. Res. 117 next week, sending it to the President, who has indicated that he will sign it into law.
- **Sequestration Replacement Bill.** The House passed H.R. 6365, which would require the President to send legislation which would replace automatic across-the-board sequestration cuts for FFY 2013 with an equivalent amount of alternative spending cuts to Congress by no later than October 15, 2012. It also, in effect, would reduce defense spending cuts by increasing non-defense spending cuts. Under current law, approximately \$109 billion in sequestration cuts otherwise would be imposed, divided evenly between defense and non-defense programs, in January 2013. The Senate is not expected to consider the bill, and the Administration has indicated that the President would veto the bill.

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### **Federal Fiscal Year (FFY) 2013 Continuing Resolution**

On September 13, 2012, the House passed, 329 to 91, H.J. Res. 112, a Continuing Resolution (CR), which would temporarily fund Federal programs and operations and also extend the Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) for the first six months of Federal Fiscal Year (FFY) 2013 through March 2013. None of the 12 appropriations bills which fund discretionary programs for FFY 2013, otherwise, will be enacted before the fiscal year begins on October 1, 2012. Under current law, the authorization for TANF and SNAP, which fund the CalWORKs and CalFresh programs in California, also will expire at the end of this month.

For the first half of FFY 2013, the CR generally would fund discretionary programs at a funding level that is 0.6 percent above the FFY 2012 level to reflect the slightly higher overall discretionary spending limit of \$1.047 trillion in FFY 2013, which was set under the Budget Control Act (BCA) of 2011. This small 0.6 percent increase should not affect Federal revenue to the County because FFY 2013 formula grant allocations and competitive grant awards will not be made until after full-year FFY 2013 appropriations have been enacted. The CR also would temporarily fund TANF and SNAP at the same level as in FFY 2012 during the first half of FFY 2013. Of County interest, the CR does include significant increased funding for Federal wildfire management and suppression activities and for refugee and entrant assistance to meet the projected increased need for such funding during the first half of FFY 2013.

The Senate is expected to pass H.J. Res. 117 next week, sending it to the President, who has indicated that he will sign it into law. The Obama Administration supports the CR because it adheres to the funding level established under last year's BCA, does not include extraneous policy riders, and will ensure that Federal programs and operations are funded and maintained beyond the end of FFY 2012.

### **Sequestration Replacement Bill**

On September 13, 2012, the House also passed, 223 to 196, H.R. 6365, the National Security and Job Protection Act, which would require the President to submit legislation to replace automatic across-the-board sequestration cuts for FFY 2013 required under last year's BCA with an equivalent amount of alternative spending cuts to Congress by no later than October 15, 2012. The bill also would amend the BCA to eliminate its separate caps for defense and non-defense discretionary spending, prohibit the President from imposing any sequestration cuts of mandatory defense spending in January 2013, and increase sequestration cuts of mandatory non-defense programs to

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the extent that enacted replacement savings do not achieve the overall level of savings required under the BCA.

In August 2011, the BCA was enacted to increase the Federal debt limit and reduce the growth of the Federal budget deficit. It requires that \$109.4 billion in across-the-board FFY 2013 sequestration spending cuts be imposed in January 2013 due to the failure of Congress to enact at least \$1.2 trillion in deficit reduction last year. Under the BCA, the \$109.4 billion in sequestration cuts would be divided evenly between defense and non-defense programs. H.R. 6365 seeks to replace the \$109.4 billion in FFY 2013 sequestration cuts with an equivalent amount of alternative spending cuts, and to reduce the level of defense spending cuts. Eliminating the separate spending caps for defense and non-defense discretionary spending would enable defense spending to be increased without increasing overall Federal spending by reducing the level of non-defense spending.

Congressional Democrats and the President oppose H.R. 6365, which is unlikely to be considered by the Senate. The Obama Administration also has indicated that the President would veto the bill if it reaches his desk. They oppose replacing the sequestration cuts entirely by imposing alternative spending cuts without any revenue increases, and also oppose reducing defense spending cuts by increasing the level of non-defense spending cuts.

We will continue to keep you advised.

WTF:RA  
MR:MT:ma

c: All Department Heads  
Legislative Strategist